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Message Text

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11
ACTION EB-11

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 XMB-07 SS-20 NSC-10

DOTE-00 DRC-01 /081 W
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R 040828Z MAR 74
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 346

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EO 11652: NA
TAGS: ETRN EFIN JA
SUBJ: CIVAIR: ALL NIPPON AIRWAYS SEEKS EX-IM FINANCING FOR FOUR TRISTARS

REF: TOKYO 16700

1. YUJI SAWA, EXECUTIVE VICE PRESIDENT, ALL NIPPON AIRWAYS (ANA), CALLED ON ECON-COM/MIN ON MAR 4 TO DISCUSS FINANCING OF PROPOSED PURCHASES OF ADDITIONAL LOCKHEED L-1011 TRISTARS. SAWA SAID ANA HAD SIGNED PURCHASE AGREEMENTS FOR TOTAL OF 14 TRISTARS, TEN OF WHICH ARE BEING FINANCED BY JAPAN EX-IM BANK. BECAUSE OF RECENT CHANGE IN GOJ POLICY, JAPAN EX-IM BANK FINANCING IS NOT NOW AVAILABLE FOR AIRCRAFT PURCHASES AND ANA IS SEEKING LOAN FROM U.S. EX-IM BANK FOR FOUR TRISTARS ORDERED IN SEPT 1973 AND SCHEDULED FOR DELIVERY IN MAY AND JUNE 1975. APPLICATION FOR PRELIMINARY COMMITMENT WAS FILED ON FEB 8, 1974.

2. SAWA EXPLAONED THAT SUSPENSION OF AIRCRAFT FINANCING BY JAPAN EX-IM BANK WAS RESULT OF JAPAN'S DETERIORATING BALANCE OF PAYMENTS POSITION. FOR SAME REASON BANK OF JAPAN WILL NO LONGER OFFSET U.S. EX-IM BANK LOANS THROUGH PURCHASE OF CERTIFICATES OF BENEFICIAL INTEREST (CBI'S) AS WAS ITS PRACTIVE IN THE PAST. AS A RESULT SAWA WAS CONCERNED THAT EX-IM BANK MAY BE FINDING IT DIFFICULT TO FIT ANA'S LOAN REQUEST INTO ITS CURRENT BUDGET. HOWEVER, HE
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SAID HE URGENTLY HOPED BANK COULD ACT FAVORABLE ON ANA'S REQUEST

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SINCE ORDERS FOR FOUR TRISTARS OTHERWISE WOULD HAVE TO BE CANCELLED.
SAWA SAID THIS WOULD BE HARMFUL TO ANA'S INTERESTS AND PRESUMABLY ALSO

WOULD BE A SERIOUS BLOW TO LOCKHEED. (TOTAL PURCHASE PRICE FOR
FOUR L-1011'S WITH SPARE PARTS, AUXILIARY EQUIPMENT AND
RELATED SERVICES IS ABOUT DOLS 90 MILLION.)

3. IN RESPONSE TO ECON-COM/MIN'S QUERY, SAWA SAID JAL AND TOA
DOMESTIC AIRWAYS ALSO HAD BEEN REQUESTED TBY GOJ TO ARRANGE
U.S. EX-IM BANK FINANCING FOR THEIR PLANNED FUTURE AIRCRAFT
PURCHASES. HE SAID JAL PLANS TO BUY THREE B-747'S AND SIC DC-10'S
WHILE TOA HAS PLANS TO ADD SEVERAL NEW DDC-9'S TO ITS FLEET.

4. ACTION REQUESTED. WE WOULD APPRECIATE ANY INFORMATION DEPART-
MENT CAN PROVIDE ON CURRENT STATUS OF EX-IM BANK'S CONSIDERATION
OF ANA LOAN REQUEST AND, MORE GENERALLY, ON PROSPECTS FOR EX-IM
FINANCING OF U.S. AIRCRAFT PURCHASES BY OTHER JAPANESE AIRLINES,
WITH OR WITHOUT CBI PURCHASES BY BANK OF JAPAN.
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